

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 630 - SB 1258

March 11, 2017

SUMMARY OF BILL: Redefines “device” in the *Tennessee Pharmacy Practice Act* to include the requirement that a device be used to administer a prescription drug.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue - \$38,100/Board of Pharmacy

Other Fiscal Impact – Pursuant to Tenn. Code Ann. § 4-29-121, all health related boards are required to be self-supporting over a two-year period. The Board of Pharmacy had an annual surplus of \$280,085 in FY14-15, an annual surplus of \$885,058 in FY15-16, and a cumulative reserve balance of \$2,236,772 on June 30, 2016.

Assumptions:

- Based on information provided by the Department of Health, the Board of Pharmacy would experience a decrease in recurring state revenue associated with licensure and renewal of manufacturers who prepare or produce devices that are used in means other than for administration of prescription drugs.
- Based on information provided by the DOH, there are approximately 2,130 licenses associated with the manufacturer, wholesaler, and distribution category. The average annual renewal fee is estimated to be \$560. It is estimated approximately 68 licenses per year are used in means other than for administration of prescription drugs.
- The recurring decrease in state revenue is estimated to be \$38,080 (68 licenses x \$560).
- Pursuant to Tenn. Code Ann. § 4-29-121, all health related boards are required to be self-supporting over a two-year period. The Board of Pharmacy had an annual surplus of \$280,085 in FY14-15, an annual surplus of \$885,058 in FY15-16, and a cumulative reserve balance of \$2,236,772 on June 30, 2016.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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